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UNITED STATES DEPARTMENT OF JUSTICE  
OFFICE OF THE UNITED STATES TRUSTEE  
CENTRAL DISTRICT OF CALIFORNIA

In Re: Scoobur, LLC	CHAPTER 11 (BUSINESS) Case Number: 2:19-BK-14997-WB
Debtor(s)	Operating Report Number: 2 For the Month Ending: 6/1/2019 to 6/30/2019

I. CASH RECEIPTS AND DISBURSEMENTS  
A. (GENERAL ACCOUNT\*)

1. TOTAL RECEIPTS PER ALL PRIOR GENERAL ACCOUNT REPORTS		0	
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR GENERAL ACCOUNT REPORTS		0	
3. BEGINNING BALANCE:		0	
4. RECEIPTS DURING CURRENT PERIOD:			
Accounts Receivable - Post-filing			
Accounts Receivable - Pre-filing			
General Sales			
Other (Specify)      Branch Deposit		25	
**Other (Specify)    Card Claim Final Credit		1,019	
TOTAL RECEIPTS THIS PERIOD:			1,044
5. BALANCE:			1,044
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD			
Transfers to Other DIP Accounts (from page 2)	0		
Disbursements (from page 2)	0		
TOTAL DISBURSEMENTS THIS PERIOD:***			0
7. ENDING BALANCE:			1,044
8. General Account Number(s):	*****3755		
Depository Name & Location:	DIP Operating Wells Fargo 3200 Foothill, Blvd. La Crescenta, CA 91214		

\* All receipts must be deposited into the general account.

\*\* Include receipts from the sale of any real or personal property out of the ordinary course of business; attach an exhibit specifying what was sold, to whom, terms, and date of Court Order or Report of Sale.

\*\*\*This amount should be the same as the total from page 2.

TOTAL DISBURSEMENTS FROM GENERAL ACCOUNT FOR CURRENT PERIOD

Date	Check	Payee or DIP		*Amount	**Amount	
mm/dd/yyyy	Number	account	Purpose	Transferred	Disbursed	Amount

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TOTAL DISBURSEMENTS THIS PERIOD:

\* Fill in amounts in this column if they are TRANSFERS to another DIP account (e.g. Payroll or Tax); the "amount" column will be filled in for you.

\*\* Fill in amounts in this column if they are DISBURSEMENTS to outside payees; the "amount" column will be filled in for you.

GENERAL ACCOUNT

BANK RECONCILIATION

Bank statement Date: 6/30/2019 Balance on Statement: \$1,044

Plus deposits in transit (a):

<u>Deposit Date</u>	<u>Deposit Amount</u>
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_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

TOTAL DEPOSITS IN TRANSIT	<u>\$0</u>
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Less Outstanding Checks (a):

<u>Check Number</u>	<u>Check Date</u>	<u>Check Amount</u>
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_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL OUTSTANDING CHECKS:	<u>\$0</u>
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Bank statement Adjustments:	<u>\$0</u>
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Explanation of Adjustments-

_____
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ADJUSTED BANK BALANCE:	<u>\$1,044</u>
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\* It is acceptable to replace this form with a similar form

\*\* Please attach a detailed explanation of any bank statement adjustment

## I. CASH RECEIPTS AND DISBURSEMENTS

## B. (PAYROLL ACCOUNT)

1. TOTAL RECEIPTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS	_____ N/A
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR PAYROLL ACCOUNT REPORTS	_____
3. BEGINNING BALANCE:	<div></div>
4. RECEIPTS DURING CURRENT PERIOD: (Transfer from General Account)	_____
5. BALANCE:	<div></div>
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD TOTAL DISBURSEMENTS THIS PERIOD:***	<div></div>
7. ENDING BALANCE:	<div></div>
8. PAYROLL Account Number(s):	_____ _____
Depository Name & Location:	_____ _____

TOTAL DISBURSEMENTS FROM PAYROLL ACCOUNT FOR CURRENT PERIOD

Date mm/dd/yyyy	Check Number	Payee	Purpose	Amount
TOTAL DISBURSEMENTS THIS PERIOD:				

PAYROLL ACCOUNT

## BANK RECONCILIATION

Bank statement Date: 6/30/2019Balance on Statement: N/A

Plus deposits in transit (a):

Deposit DateDeposit Amount

_____	_____
_____	_____
_____	_____

TOTAL DEPOSITS IN TRANSIT

Less Outstanding Checks (a):

Check NumberCheck DateCheck Amount

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL OUTSTANDING CHECKS:

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\* It is acceptable to replace this form with a similar form

\*\* Please attach a detailed explanation of any bank statement adjustment

## I. CASH RECEIPTS AND DISBURSEMENTS

## C. (TAX ACCOUNT)

1. TOTAL RECEIPTS PER ALL PRIOR TAX ACCOUNT REPORTS	_____ N/A
2. LESS: TOTAL DISBURSEMENTS PER ALL PRIOR TAX ACCOUNT REPORTS	_____
3. BEGINNING BALANCE:	<div></div>
4. RECEIPTS DURING CURRENT PERIOD: (Transfer from General Account)	_____
5. BALANCE:	<div></div>
6. LESS: TOTAL DISBURSEMENTS DURING CURRENT PERIOD TOTAL DISBURSEMENTS THIS PERIOD:***	<div></div>
7. ENDING BALANCE:	<div></div>
8. TAX Account Number(s):	_____ _____ _____
Depository Name & Location:	_____ _____ _____

TOTAL DISBURSEMENTS FROM TAX ACCOUNT FOR CURRENT PERIOD

Date mm/dd/yyyy	Check Number	Payee	Purpose	Amount
TOTAL DISBURSEMENTS THIS PERIOD:				



TAX ACCOUNT

## BANK RECONCILIATION

Bank statement Date: 6/30/2019Balance on Statement: N/A

Plus deposits in transit (a):

Deposit DateDeposit Amount


TOTAL DEPOSITS IN TRANSIT

Less Outstanding Checks (a):

Check NumberCheck DateCheck Amount


TOTAL OUTSTANDING CHECKS:

Bank statement Adjustments:

Explanation of Adjustments-

ADJUSTED BANK BALANCE:

\* It is acceptable to replace this form with a similar form

\*\* Please attach a detailed explanation of any bank statement adjustment

I. D SUMMARY SCHEDULE OF CASH

ENDING BALANCES FOR THE PERIOD:

(Provide a copy of monthly account statements for each of the below)

	General Account:	1,044
	Payroll Account:	0
	Tax Account:	0
*Other Accounts:		
*Other Monies:		
	**Petty Cash (from below):	
TOTAL CASH AVAILABLE:		1,044
Petty Cash Transactions:		
Date	Purpose	Amount
TOTAL PETTY CASH TRANSACTIONS:		

\* Specify the Type of holding (e.g. CD, Savings Account, Investment Security), and the depository name, location & account#

\*\* Attach Exhibit Itemizing all petty cash transactions

## II. STATUS OF PAYMENTS TO SECURED CREDITORS, LESSORS

## AND OTHER PARTIES TO EXECUTORY CONTRACTS

Creditor, Lessor, Etc.	Frequency of Payments (Mo/Qtr)	Amount of Payment	Post-Petition payments not made (Number)	Total Due
TOTAL DUE:				

## III. TAX LIABILITIES

FOR THE REPORTING PERIOD:

Gross Sales Subject to Sales Tax: N/A

Total Wages Paid: N/A

	Total Post-Petition Amounts Owing	Amount Delinquent	Date Delinquent Amount Due
Federal Withholding			
State Withholding			
FICA- Employer's Share			
FICA- Employee's Share			
Federal Unemployment			
Sales and Use			
Real Property			
Other:			
TOTAL:			

IV. AGING OF ACCOUNTS PAYABLE AND RECEIVABLE

	*Accounts Payable Post-Petition	Accounts Receivable	
		Pre-Petition	Post-Petition
30 days or less			
31 - 60 days			
61 - 90 days			
91 - 120 days			
Over 120 days			
TOTAL:			

V. INSURANCE COVERAGE

Type	Name of Carrier	Amount of Coverage	Policy Expiration Date	Premium Paid Through (Date)
Others:				

VI. UNITED STATES TRUSTEE QUARTERLY FEES  
(TOTAL PAYMENTS)

Quarterly Period Ending (Date)	Total Disbursements	Quarterly Fees	Date Paid	Amount Paid	Quarterly Fees Still Owing

\* Post-Petition Accounts Payable SHOULD NOT include professionals' fees and expenses which have been incurred but not yet awarded by the court. Post-Petition Accounts Payable SHOULD include professionals' fees and expenses authorized by Court Order but which remain unpaid as of the close of the period report

## VII SCHEDULE OF COMPENSATION PAID TO INSIDERS

Name of Insider	Date of Order Authorizing Compensation	*Authorized Gross Compensation	Gross Compensation Paid During the Month

## VIII. SCHEDULE OF OTHER AMOUNTS PAID TO INSIDERS

Name of Insider	Date of Order Authorizing Compensation	Description	Amount Paid During the Month

\* Please indicate how compensation was identified in the order (e.g. \$1,000/week, \$2,500/month)

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## IX. PROFIT AND LOSS STATEMENT

(ACCRUAL BASIS ONLY)

	Current Month	Cumulative Post-Petition
Sales/Revenue:		
Gross Sales/Revenue	N/A	
Less: Returns/Discounts		
Net Sales/Revenue		
Cost of Goods Sold:		
Beginning Inventory at cost		
Purchases		
Less: Ending Inventory at cost		
Cost of Goods Sold (COGS)		
Gross Profit		
Other Operating Income (Itemize)		
Operating Expenses:		
Payroll - Insiders		
Payroll - Other Employees		
Payroll Taxes		
Other Taxes (Itemize)		
Depreciation and Amortization		
Rent Expense - Real Property		
Lease Expense - Personal Property		
Insurance		
Real Property Taxes		
Telephone and Utilities		
Repairs and Maintenance		
Travel and Entertainment (Itemize)		
Miscellaneous Operating Expenses (Itemize)		
Total Operating Expenses		
Net Gain/(Loss) from Operations		
Non-Operating Income:		
Interest Income		
Net Gain on Sale of Assets (Itemize)		
Other (Itemize)		
Total Non-Operating income		
Non-Operating Expenses:		
Interest Expense		
Legal and Professional (Itemize)		
Other (Itemize)		
Total Non-Operating Expenses		
NET INCOME/(LOSS)		

(Attach exhibit listing all itemizations required above)

X. BALANCE SHEET  
(ACCRUAL BASIS ONLY)

ASSETS	Current Month End	
Current Assets:		
Unrestricted Cash	1,044	
Restricted Cash		
Accounts Receivable		
Inventory		
Notes Receivable		
Prepaid Expenses		
Other (Itemize)		
Total Current Assets		1,044
Property, Plant, and Equipment		
Accumulated Depreciation/Depletion		
Net Property, Plant, and Equipment		
Other Assets (Net of Amortization):		
Due from Insiders		
Other (Itemize)	89,000 (1)	
Total Other Assets		89,000
TOTAL ASSETS		90,044
LIABILITIES		
Post-petition Liabilities:		
Accounts Payable		
Taxes Payable		
Notes Payable		
Professional fees		
Secured Debt		
Other (Itemize)	1,044 (2)	
Total Post-petition Liabilities		1,044
Pre-petition Liabilities:		
Secured Liabilities		
Priority Liabilities		
Secured Liabilities		
Other (Itemize)		
Total Pre-petition Liabilities		0
TOTAL LIABILITIES		1,044
EQUITY:		
Pre-petition Owners' Equity	89,000	
Post-petition Profit/(Loss)		
Direct Charges to Equity		
TOTAL EQUITY		89,000
TOTAL LIABILITIES & EQUITY		90,044

(1) Relates to the Scoobeez.com, trademark and various related marks.

(2) Of this total, \$1,019 is due to Scoobeez on account of a reimbursement inadvertently deposited into Scoobur's debtor-in-possession account ("DIP Account") rather than the DIP Account for Scoobeez, the operating debtor, and \$25 is due to George Voskanian on account of an advance made to open up the Debtor's DIP Account.

XI. QUESTIONNAIRE

1. Has the debtor-in-possession made any payments on its pre-petition unsecured debt, except as have been authorized by the court? If "Yes", explain below: No  
X Yes
- 
2. Has the debtor-in-possession during this reporting period provided compensation or remuneration to any officers, directors, principals, or other insiders without appropriate authorization? If "Yes", explain below: No  
X Yes
- 
3. State what progress was made during the reporting period toward filing a plan of reorganization
- On or about June 6, 2019, the Court entered an order authorizing the Debtor(s) to retain Brian Weiss of Force 10 Partners as their chief restructuring officer (the "CRO"). Since this date, the CRO has continued to work diligently with the Debtors and the Debtor(s) professionals towards the exit strategy most likely to maximize the value of the estates' assets, and thus the distributions to be made to creditors holding allowed claims.**
- 
4. Describe potential future developments which may have a significant impact on the case:  
**See response to question #3. In addition, the deadline for the Official Committee of Unsecured Creditors (the "Committee") to challenge the nature, extent, scope, amount and/or enforceability of any and all claim(s) asserted by and/or lien(s) purportedly in favor of Hillair Capital Management is July 24, 2019, and the Committee has indicated their intent to do so on or before that date by way of adversary proceeding and/or contested matter.**
- 
5. Attach copies of all Orders granting relief from the automatic stay that were entered during the reporting period.
6. Did you receive any exempt income this month, which is not set forth in the operating report? If "Yes", please set forth the amounts and sources of the income below. No  
X Yes
- 

/s/ George Voskanian

I, George Voskanian, CFO/Co-CEO

declare under penalty of perjury that I have fully read and understood the foregoing debtor-in-possession operating report and that the information contained herein is true and complete to the best of my knowledge.



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Attorneys for Debtors and Debtors-in-Possession,  
Scoobeez, Scoobeez Global, Inc., and Scoobur, LLC

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**  
**LOS ANGELES DIVISION**

In re

SCOOBEEZ, *et al.*<sup>1</sup>

Debtors and Debtors in  
Possession.

Case No. 2:19-bk-14989-WB  
Jointly Administered:  
2:19-bk-14991-WB; 2:19-bk-14997-WB

Chapter 11

**GLOBAL NOTES AND STATEMENT OF  
LIMITATIONS, METHODOLOGY, AND  
DISCLAIMERS REGARDING SCOOBUR,  
LLC'S JUNE 2019 MONTHLY  
OPERATING REPORT**

Affects:

- ☐ All Debtors
- ☐ Scoobeez, ONLY
- ☐ Scoobeez Global, Inc., ONLY
- ☒ Scoobur LLC, ONLY

<sup>1</sup> The Debtors and the last four digits of their respective federal taxpayer identification numbers are as follows:  
Scoobeez (6339); Scoobeez Global, Inc. (9779); and Scoobur, LLC (0343). The Debtors' address is 3463 Foothill  
Boulevard, Glendale, California 91214.

1 Scoobur, LLC, as debtor and debtor in possession (“**Scoobur**”) is filing its June 2019  
2 Monthly Operating Report in accordance with the United States Trustee Guidelines for the  
3 Bankruptcy Court for the Central District of California. These Global Notes and Statement of  
4 Limitations, Methodology, and Disclaimers Regarding Scoobur’s June 2019 Monthly Operating  
5 Report (the “**Global Notes**”) relate to the Scoobur June 2019 Monthly Operating Report (the  
6 “**MOR**”) and are in addition to any specific notes contained in the MOR.

7 **These Global Notes comprise an integral part of the MOR and should be referred to**  
8 **and considered in connection with any review of the MOR. The MOR and Global Notes**  
9 **should not be relied upon by any persons for information relating to current or future**  
10 **financial conditions, events, or performance of Scoobur.**

11 The MOR was prepared by George Voskanian, the Chief Financial Officer and Co-Chief  
12 Executive Officer (“**Voskanian**”) of Scoobur’s sole member, Scoobeez Global, Inc., with the  
13 assistance of Scoobur’s advisors. Although Voskanian has made reasonable efforts to ensure that  
14 MOR is accurate and complete based upon information that was available at the time of preparation,  
15 subsequent information or discovery thereof may result in material changes to MOR, and  
16 inadvertent errors or omissions may exist. Moreover, the MOR contains unaudited information,  
17 which is subject to further review and potential adjustment.

18 The MOR has been signed by Voskanian. In reviewing and signing the MOR, Voskanian  
19 necessarily relied upon the efforts, statements, and representations of Scoobur’s other personnel  
20 and professionals.

21 Scoobur and its agents, attorneys, and financial advisors do not guarantee or warrant the  
22 accuracy or completeness of the data that is provided herein, and shall not be liable for any loss or  
23 injury arising out of or caused in whole or in part by the acts, errors, or omissions, whether negligent  
24 or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating, or  
25 delivering the information contained herein. While reasonable efforts have been made to provide  
26 accurate and complete information herein, inadvertent errors or omissions may exist.

27  
28

**GLOBAL NOTES PERTAINING TO MOR**

1  
2           1.       **General Reservation of Rights:** Scoobur reserves all rights to amend the MOR  
3 from time to time, in any and all respects, as may be necessary or appropriate. Any specific  
4 reservation of rights contained elsewhere in the Global Notes does not limit in any respect the  
5 general reservation of rights contained in this paragraph.

6           2.       **Global Notes Control.** These Global Notes pertain to and comprise an integral part  
7 of the MOR and should be referenced in connection with any review thereof. In the event that the  
8 MOR conflict with these Global Notes, these Global Notes shall control.

9           3.       **Reservations and Limitations.** Reasonable efforts have been made to prepare and  
10 file a complete and accurate MOR; however, as noted above, inadvertent errors and omissions may  
11 exist. Scoobur reserves all rights to amend and supplement the MOR as may be necessary or  
12 appropriate. Nothing contained in the MOR constitutes a waiver of Scoobur's rights or an  
13 admission of any kind with respect to these Chapter 11 Cases, including, but not limited to, any  
14 rights or claims of Scoobur against any third party or issues involving substantive consolidation,  
15 recharacterization, equitable subordination, or defenses or causes of action arising under the  
16 provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable bankruptcy or non-  
17 bankruptcy laws to recover assets or avoid transfers. Any specific reservation of rights contained  
18 elsewhere in the Global Notes does not limit in any respect the general reservation of rights  
19 contained in this paragraph.

20           4.       **No Admission.** Nothing contained in the MOR is intended or should be construed  
21 as an admission or stipulation of the validity of any claim against Scoobur, the secured status of  
22 any claim against Scoobur, the nature of any contract, including whether such contract is executory,  
23 or a waiver of Scoobur's rights to dispute any claim, the status of any contract, or to assert any  
24 cause of action or defense against any party. Furthermore, nothing in the MOR constitutes an  
25 admission by Scoobur of the legal rights of any vendor, claimant, or contract counterparty, or  
26 nothing in the MOR constitutes a waiver of Scoobur's rights to recharacterize or reclassify  
27 such claim or contract.  
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1           5.       **Financial Information.** The financial and tax information contained in the MOR  
2 continues to be reviewed by Scoobur and its professionals and will be amended or updated as  
3 necessary and appropriate. Historically, based upon the relationship amongst the Debtors, certain  
4 financial obligations and results of the operating entity (Scoobeez) may have been reported or  
5 reflected in the financials of the parent company (Scoobeez Global). For instance, solely by way  
6 of example, the Debtors have filed consolidated tax returns.

7           6.       **Insiders.** In the circumstances where the MOR requires information regarding  
8 “insiders,” Scoobur has included information with respect to certain individuals who served as  
9 officers and directors, as the case may be, during the relevant time periods. Such individuals may  
10 no longer serve in such capacities. The listing of a party as an insider for purposes of the MOR is  
11 not intended to be, nor should it be, construed an admission of any fact, right, claim, or defense, and  
12 all such rights, claims, and defenses are hereby expressly reserved. Information regarding the  
13 individuals listed as insiders in the MOR may not be used for the purposes of determining  
14 control of Scoobur, the extent to which any individual exercised management responsibilities or  
15 functions, corporate decision-making authority over Scoobur, or whether such individual  
16 could successfully argue that he or she is not an insider under applicable law, including the  
17 Bankruptcy Code and federal securities laws, or with respect to any theories of liability or any other  
18 purpose. Payments listed as being made to insiders in the MOR continue to be reviewed by Scoobur  
19 and its professionals and will be amended or updated as necessary and appropriate.  
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